

October 2014

COAC conducts the Trade Efficiency survey to establish a benchmark for costs associated with importing and exporting goods into and out of the United States, understand the key cares of trade, strengthen inter- and intra-governmental operations to promote efficient compliance, and report trends. In essence, we measure how effective CBP and PGA trade facilitation efforts are at lowering the cost and burden associated with a company's compliance and operations efforts. Year-over-year, COAC's survey analysis concludes, and this year is no different, that those CBP and PGA programs or efficiencies that ultimately decrease entry lifecycle processing times and decrease freight dwell are significant motivators for the trade since they contribute to reducing the overall cost and complexity of doing business for those companies involved in this survey. As a result of our solid conclusion, our recommendations remain constant. This year, we ask for CBP to provide a status to the community on the state of these recommendations.

As background, COAC recognizes that a majority of solutions that deliver a reduction in the cost and complexity of doing business require a whole-of-government solution which we recognize takes time. For this reason, the COAC was pleased to review the solution deadline established in President Obama's Feb 2014 Executive Order on Streamlining the Export/Import Process for America's Businesses for Single Window/ITDS integration by December 2016. To support this Order, COAC and CBP continue to work our path established during the 12<sup>th</sup> COAC to achieve results:

- Establish Master Principles
- Establish PGA Council of Agency Leaders
- Deliver Process Mapping Identifying Areas of Opportunity
- Engage in PGA integration discussions (policy, operations, and technical)
- Implement Solutions

We encourage CBP to continue to promote cross-agency partnership and integration, and take the lead where necessary to assist in the education and realization of trade-requested improvements required to promote nationally secure economic growth. We further encourage CBP to implement those solutions impacting their agency with renewed focus and resolve.

*The scope of the recommendations below shall apply to both imports and exports. These recommendations are mostly duplicative of the 2012 and 2013 recommendations, and shall be removed or replaced upon the trade's realization of the intended benefit.*

#### Visibility

- The COAC recommends that CBP and PGAs partner with the trade community to target PGA requirements training and promote visibility of holds in ACE/ACS. We recognize and encourage the implementation of the One US Government at the Border Single Window approach, coupled with the PGA Message Set will provide greater visibility to the trade community as to the reasons for the holds. We encourage the Partner Government Agencies to become early adopters of PGA Message Set, allowing for early submission of information so the PGA may make earlier risk assessment decisions on admissibility of cargo.
- The COAC recommends working with CBP to define delays and holds and ensure a process exists for those types that require data capture. In addition, once delays and holds are defined in accordance with 2013 operations, COAC recommends that CBP develop national import/export port metrics as a method a) to understand the complexities associated with goods release by mode of transport and region and b) to achieve standardization of best operating practices across ports. Further, we recommend sharing the results with the Centers of Excellence and Expertise via the Industry Working Groups to achieve industry-specific best practices.
- With strategic efforts such as the implementation of CEE's, streamlining and integration of PGAs via trade processes, and the National Export Initiative and Export Control Reform, it is important for CBP to continue to collaborate with COAC to seek ways to measure and improve trade processes and reduce freight dwell. We recommend CBP provide the trade with web-based metrics regarding export and import delays and holds on a One USG basis. We additionally recommend the continuation of the Center Industry Working Group metric sharing to generate meaningful bi-directional dialogue that will generate successes in meeting the objectives of both CBP and the trade.

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#### Knowledge Sharing

- The COAC recommends that CBP share the survey information with the Partner Government Agencies (PGAs) to achieve a better understanding by the PGAs of the impact of cargo holds, detention and dwell times on the international supply chain. Establishing integrated policies serves to remove port variation, regulatory misunderstandings and trade inefficiency, a key contributor to cost.
- The COAC recommends that CBP share the results of the AD/CVD questions with relevant government entities when discussing issues related to the retrospective system of AD/CVD enforcement and collection. The 12th COAC made a formal recommendation based on several reasons that the AD/CVD system be changed to a prospective system similar to those utilized by all global trading partners. The feedback in this survey indicates that the larger trade community strongly supports this earlier COAC recommendation and would favor a prospective system. As this subject is often a topic of discussion in various forums in which CBP participates, the COAC recommends that CBP communicate this feedback in the appropriate forums.
- When shipments are stopped or paused at the ports, the results tell us the respondents are favorable to dealing with CBP, as compared to the PGA (in general). COAC recommends that CBP champion a knowledge sharing exercise between PGA's and CBP specifically around holds / freight stops to align best practices and identify process improvements. Accomplishing this review in conjunction with the Centers will ensure positive benefits for the trade. We anticipate that the metrics will reveal the positive impact to the trade in the areas of decreased freight dwell, improved targeting, and increased customer service.

#### Integrated Customer Service Model

- We recommend CBP advocate for an integrated customer service model with the PGA's. Synthesizing the current customer service design of CBP and PGAs will benefit both trade and security. Additionally, using the Centers to aid in the integration of a service model is most beneficial to impact processing times and freight dwell.

#### Annual Trade Efficiency Survey

- We recommend the continuation of an annual COAC survey to assist in prioritization, measure success, obtain satisfaction feedback, and begin establishing trends.